



# Headquarters FY 2006 Buyout Information Session

December 2005



# AGENDA

STRATEGIC HUMAN CAPITAL MANAGEMENT

- Welcome
- Headquarters Overview
- Headquarters Buyout/Early-out Overview
- Retirement/NEBS Overview
- Questions/Answers



# HEADQUARTERS OVERVIEW

STRATEGIC HUMAN CAPITAL MANAGEMENT

## General Overview

- Recently conducted an Institutional Requirements Review of the workforce & overall budget for corporately funded activities to determine consistency of staffing and budgeted resources with the Agency's revised strategic direction
- Organizations were issued revised ceiling allocations which will need to be reached by September 30, 2007
- Identified current competencies and those needed to support new revised strategic direction
- Determined surplus competencies at Headquarters



# HEADQUARTERS OVERVIEW

STRATEGIC HUMAN CAPITAL MANAGEMENT

## **Buyouts/Early-Outs from the Human Capital Perspective**

**Through this process we needed to:**

- Continue to protect core safety, shuttle and station, and exploration-related competencies; and other critical workforce competencies
- Conduct a careful analysis to ensure adequate staffing of each competency
- Apply One-NASA Agency-wide approach to ensure we do not buyout competencies needed elsewhere in NASA



# HEADQUARTERS BUYOUT/EARLY OUT OVERVIEW

STRATEGIC HUMAN CAPITAL MANAGEMENT

## **Surplus Competencies**

- 29 competencies were identified as areas where buyout incentives can help rebalance the workforce
- The competencies are either no longer required, or there is a reduced need for the competency
- Within these competencies, 194 possible affected positions have been identified which we have budgeted resources
- Letters to permanent General Schedule employees in the identified 29 surplus competencies were delivered to organizations December 5 for distribution



# HEADQUARTERS BUYOUT/EARLY OUT OVERVIEW

STRATEGIC HUMAN CAPITAL MANAGEMENT

## Surplus Competencies (Con't)

- As organizations finalize restructuring plans additional positions within the identified surplus competencies, or competencies not originally identified at the time of the Headquarters buyout request, may need to be eliminated as a result of abolishment or merging of functions and activities.
- If applications exceed the numbers identified for reduction in the surplus competencies, or are from employees in competencies not originally identified, discussions will be held with the applicant's management on their proposed restructuring plans in conjunction with critical staffing needs
- If necessary, Headquarters will submit a request to the Office of Human Capital Management to revise its original plan.



# HEADQUARTERS BUYOUT/EARLY-OUT OVERVIEW

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## **Buyouts/early-outs which are being offered at HQS:**

- May be allowed for permanent, General Schedule employees:
  - if the position is abolished; or
  - If the position is restructured due to a different competency requirement; or
  - If the buyout will create a placement for an employee occupying a position whose competency has been identified as surplus
- Buyouts will be approved in priority order
- Separations of employees must be completed by January 3, 2006



# HEADQUARTERS BUYOUT/EARLY OUT OVERVIEW

STRATEGIC HUMAN CAPITAL MANAGEMENT

## Priority Groups

**Priority 1:** Employees in positions where the primary competency is one of the 29 competencies identified as surplus at Headquarters AND the employee is assigned to an organization that identified the competency as surplus. Concurrence will be obtained from the losing organization prior to final approval. If applications exceed the number identified by an organization for reduction in a surplus competency, buyouts will be allowed in Federal Service Computation Date order. Excess applications will be placed in Priority 2 EXCEPT in the case where the total number identified for reduction in a surplus competency is met. In these cases, excess applications will be placed in Priority 3.





## Priority Order (Con't)

**Priority 2:** Employees in positions where the primary competency is one of the 29 competencies identified as surplus at Headquarters AND the employee is assigned to an organization that did not identify the competency as surplus. This group also may include applications that exceed the number identified by an organization for reduction in a surplus competency. Approvals will be based on Federal Service Computation Date order AND concurrence of the losing organization. If applications exceed the total number identified for reduction in a surplus competency, buyouts will be allowed in Federal Service Computation Date order. Excess applications will be placed in Priority 3.



## Priority Order (Con't)

**Priority 3:** Employees in positions where the primary competency is one of the 29 competencies identified as surplus at Headquarters AND the employee is assigned to any organization AND the employee application is identified as excess under Priority 1 or 2. Buyouts will be allowed in Federal Service Computation Date order, review of critical staffing needs AND concurrence of the losing organization.

**NOTE:** Since applications in this Priority Group exceed the overall number identified for a particular surplus competency in the Headquarters Buyout Plan, Headquarters will need to submit a request to the OHCM to revise its original plan.



## Priority Order (Con't)

**Priority 4:** Employees in positions where the primary competency was not identified as surplus at Headquarters at the time the buyout plan was submitted. Buyouts will be allowed in Federal Service Computation Date order, review of critical staffing needs AND concurrence of the losing organization.

NOTE: Since applications in this Priority Group include employees in competencies not originally identified as surplus, Headquarters will need to submit a request to the OHCM to revise its original plan



# HEADQUARTERS BUYOUT/EARLY OUT OVERVIEW

STRATEGIC HUMAN CAPITAL MANAGEMENT

## ➤ What is the basic process?

- Buyout application completed and submitted before 4:00 p.m. December 16
- Meet basic requirements
- Management concurrence
- Human Resources Management Division approves buyout
- Employee completes retirement/separation paperwork and buyout occurs



# HEADQUARTERS BUYOUT/EARLY OUT OVERVIEW

STRATEGIC HUMAN CAPITAL MANAGEMENT

## Basic Restrictions for a Buyout

The law specifies that you are **not** eligible to receive a buyout if you:

- Are a re-employed annuitant; or serving under an appointment with a time limitation;
- Have a disability on the basis of which you would be eligible for a disability retirement;
- Have not been on-board with the Federal Government without a break in service for 3 continuous years;
- Are in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;
- Have received a buyout before;
- Are covered by statutory reemployment rights on transfer with another organization;
- During the 36 months preceding separation you performed service for which a student loan repayment benefit was or is to be paid; or
- During the 24 months preceding separation you performed service for which a recruitment or relocation bonus was or is to be paid; or
- During the 12 months preceding separation you performed service for which a retention bonus (or allowance) was or is to be paid



# HEADQUARTERS BUYOUT/EARLY OUT OVERVIEW

STRATEGIC HUMAN CAPITAL MANAGEMENT

## Headquarters Buyout/Early-Out Process

- |   |                            |
|---|----------------------------|
| ➤ Employees begin to sign up for consideration                          | December 5                 |
| ➤ Deadline for employees to submit applications                         | 4:00 p.m. December 16      |
| ➤ HRMD evaluates applications & notifies employees of basic eligibility | Ongoing thru December 19   |
| ➤ HRMD discussion of applications with organizations                    | Ongoing thru December 19   |
| ➤ Final Priority Listing prepared for management review                 | December 19                |
| ➤ Issuance of Approval Memos  | Beginning December 20 - 22 |
| ➤ Employees "Out-Processing"  | Thru January 3             |



# RETIREMENT OVERVIEW

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## Types of Retirements

### CSRS:

- Optional (Voluntary)
  - Age 55 with 30 years of service
  - Age 60 with 20 years of service
  - Age 62 with 5 years of service
- Early Out (Voluntary with reduction)
  - Age 50 with 20 years of service
  - Any age with 25 years of service
- Deferred retirement - resignation with an option for retirement in the future.
  - Applies for deferred annuity at age 62 (must have at least 5 years creditable service)
  - Does not receive a refund of all retirement contributions
  - Is not eligible for immediate retirement benefit



# RETIREMENT OVERVIEW

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## Types of Retirement (Cont.)

### FERS:

- Optional (Voluntary)
  - Minimum Retirement Age (MRA) with 30 years of service
  - Age 60 with 20 years of service
  - Age 62 with 5 years of service
- Early Retirement (Voluntary)
  - Age 50 with 20 years of service
  - Any Age with 25 years of service
- Deferred retirement - resignation with an option for retirement in the future.
  - Completed at least 5 years creditable service and are eligible for a deferred retirement
  - Completed at least 10 years creditable service, including 5 years civilian service, and are eligible for an annuity at the Minimum Retirement Age (MRA)





# ELIGIBILITY FOR VOLUNTARY EARLY OUT AUTHORITY (VERA)

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- In order to be eligible to retire under a VERA by the date of separation, an employee must:
  - Complete at least 20 years creditable service and be at least age 50; or complete at least 25 years creditable service, regardless of age;
  - Serve in a position eligible to receive the offer
  - Serve during a time period designated by the Agency (under an OPM approved authority) in which voluntary early retirements are offered; and
  - Not meet any of the ineligibility categories



# INELIGIBILITY FOR VOLUNTARY EARLY OUT AUTHORITY (VERA)

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- Employees in the following categories are **not** eligible for voluntary early retirement:
  - Were not employed in the requesting agency at least 31 days prior to the date the agency requested VERA (October 12, 2004); or
  - Are serving under time-limited appointments; or
  - Are in receipt of a decision of involuntary separation for misconduct or unacceptable performance.

**The above provisions affect all employees seeking voluntary early retirements.**



# BUYOUT AMOUNT/CALCULATION

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- **Buyout calculation based on the formula to compute severance pay.**
  - Combination of years of service, age and salary
  - Maximum amount is \$25,000 (pre-tax) **OR** the severance pay amount, whichever is less.
- **Severance Pay calculation:**
  - 1 week's basic pay for each of the first 10 years of civilian service
  - Plus 2 weeks' basic pay for each year over 10 years
  - Age adjustment allowance of 10% added for each year over age 40.



# NASA EMPLOYEE BENEFIT STATEMENT (NEBS)

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To see your monthly annuity before deductions,  
you can review your NEBS at:

<http://nasapeople.nasa.gov/NEBS/index.htm>



# CONTACTS FOR FURTHER INFORMATION

STRATEGIC HUMAN CAPITAL MANAGEMENT

- Headquarters Buyout Website:
  - <http://www.hq.nasa.gov/buyout2006>
- Headquarters Contact Information:
  - Retirement Estimates
    - Al Reeves, 358-1793, [jreeves@nasa.gov](mailto:jreeves@nasa.gov)
  - Retirement Computation Form
    - Jocelyn Harris, 358-1275, [jocelyn.harris-1@nasa.gov](mailto:jocelyn.harris-1@nasa.gov)
  - Benefits and NEBS Questions
    - Scott Howell, 358-1558, [scott.howell@nasa.gov](mailto:scott.howell@nasa.gov)
  - Buyout Process & General Questions
    - Brenda Spicer, 358-1561, [brenda.l.spicer@nasa.gov](mailto:brenda.l.spicer@nasa.gov)
  - Competency Questions
    - Chris Beidel, 358-3831, <http://competency.hq.nasa.gov>